IN THE CIRCUIT COURT FOR FREDERICK COUNTY

MIDDLETOWN VALLEY BANK	*		
24 West Main Street, P.O. Box 75	*		
Middletown, MD 21769	*		
	*		
	*		
Plaintiff,	*		
,	*		
V.	* Case No.		
	*		
JUSTICE FARMS OF NORTH CAROLINA, LLC	*		
302 South Jefferson Street	*	1458 18-0-17-94187	
Roanoke, VA 24011	*	Ur+01VII	žum m
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JAMES C. JUSTICE, II	*	Mirif/Le 6/1	
1716 Kanawha Blvd E.	*		
Charleston, WV 25305	*		
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Defendants.	*		
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COMPLAINT AND CONFESSION OF JUDGMENT

Plaintiff, Middletown Valley Bank (the "Lender" and/or "Plaintiff"), by its undersigned counsel, hereby sues the Defendants, Justice Farms of North Carolina, LLC ("Borrower") and James C. Justice II (the "Guarantor"), and for its causes of action states as follows:

Parties and Jurisdiction

1. The Lender is a banking corporation organized under the laws of the State of Maryland.

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- 2. The Borrower is a Virginia limited liability company doing business in Frederick County, State of Maryland, whose principal place of business is 302 S. Jefferson Street, Suite 600, Roanoke, Virginia 24011.
- The Guarantor is a resident of the State of West Virginia with an address of 208
 Dwyer Lane, Lewisburg, VA who transacts business in Frederick County, Maryland.
- 4. Jurisdiction and venue are proper in this Court pursuant to Sections 6-103 and 6-201 of the Courts and Judicial Proceedings Article, Annotated Code of Maryland. Jurisdiction and venue are also proper in this Court as the Borrower and the Guarantor have submitted to the jurisdiction and venue of this Court under the terms and conditions of the loan documents at issue.

Facts Common to All Counts

- 5. In 2016 the Lender extended four separate loans to the Borrower, each of which were guaranteed by the Guarantor.
- 6. The first of these was on April 28, 2016, when the Lender agreed to extend a loan to the Borrower (the "April Loan") pursuant to the terms of that certain Business Loan Agreement dated April 28, 2016 (the "April BLA"). A true and accurate copy of the April BLA is attached hereto as Exhibit A and is incorporated by reference herein.
- 7. The April Loan is evidenced by that certain Eight Hundred Sixty Two Thousand One Hundred Four Dollar (\$862,104.00) Promissory Note dated April 28, 2016 (the "April Note") executed and delivered by the Borrower in favor of the Lender. A true and accurate copy of the April Note is attached hereto as Exhibit B and is incorporated by reference herein.
- 8. To induce Lender to extend the April Loan, the Guarantor executed and delivered that certain Commercial Guaranty dated April 28, 2016 (the "April Guaranty", and together with the April Note, the April BLA and all other documents executed in connection therewith or

related thereto, the "April Loan Documents") absolutely and unconditionally guaranteeing the payment and performance of the April Note. A true and accurate copy of the April Guaranty is attached hereto as Exhibit C and is incorporated by reference herein.

- 9. On June 10, 2016 the Lender extended a second loan to the Borrower ("The June Loan") pursuant to the terms of that certain Business Loan Agreement dated June 10, 2016 (the June BLA"). A true and accurate copy of the June BLA is attached hereto as Exhibit D and is incorporated by reference herein.
- 10. The June Loan is evidenced by that certain Seven Hundred Seventeen Thousand Three Hundred Dollar (\$717,300.00) Promissory Note dated June 10, 2016 (the "June Note") executed and delivered by the Borrower in favor of the Lender. A true and accurate copy of the June Note is attached hereto as Exhibit E and is incorporated by reference herein.
- 11. To induce Lender to extend the June Loan, the Guarantor executed and delivered that certain Commercial Guaranty dated June 10, 2016 (the "June Guaranty" and together with the June Note, the June BLA and all other documents executed in connection therewith or related thereto, the "June Loan Documents") absolutely and unconditionally guaranteeing the payment and performance of June Note. A true and accurate copy of The June Guaranty is attached hereto as Exhibit F and is incorporated by reference herein.
- 12. On August 5, 2016 the Lender extended a third loan to the Borrower (the "August Loan") pursuant to the terms of that certain Business Loan Agreement dated August 5, 2016 (the "August BLA"). A true and accurate copy of the August BLA is attached hereto as Exhibit G and is incorporated by reference herein.
- 13. The August Loan is evidenced by that certain Six Hundred Nineteen Thousand Two Hundred Seventy Two Dollar (\$619,272.00) Promissory Note dated August 5, 2016 (the August Note") executed and delivered by the Borrower in favor of the Lender. A true and

accurate copy of the August Note is attached hereto as <u>Exhibit H</u> and is incorporated by reference herein.

- 14. To induce Lender to extend the August Loan, the Guarantor executed and delivered that certain Commercial Guaranty dated August 5, 2016 (the "August Guaranty" and together with the August Note, the August BLA and all other documents executed in connection therewith or related thereto, the "August Loan Documents") absolutely and unconditionally guaranteeing the payment and performance of the August Note. A true and accurate copy of the August Guaranty is attached hereto as Exhibit I and is incorporated by reference herein.
- 15. On October 25, 2016 the Lender extended a fourth and final loan to the Borrower (the "October Loan" and together with the April Loan, the June Loan, and the August Loan, the "Loans") pursuant to the terms of that certain Business Loan Agreement dated October 25, 2016 (the "October BLA"). A true and accurate copy of the October BLA is attached hereto as Exhibit J and is incorporated by reference herein.
- 16. The October Loan is evidenced by that certain Two Hundred Five Thousand Nine Hundred Seventy Five Dollar (\$205,975.00) Promissory Note dated October 25, 2016 (the "October Note") executed and delivered by the Borrower in favor of the Lender. A true and accurate copy of the October Note is attached hereto as Exhibit K and is incorporated by reference herein.
- 17. To induce Lender to extend the October Loan, the Guarantor executed and delivered that certain Commercial Guaranty dated October 25, 2016 (the "October Guaranty" and together with the October Note, the October BLA and all other documents executed in connection therewith or related thereto, the "October Loan Documents") absolutely and unconditionally guaranteeing the payment and performance of the October note. A true and accurate copy of the October Guaranty is attached hereto as Exhibit L and is incorporated by

reference herein.

- 18. The April Loan Documents, the June Loan Documents, the August Loan Documents and the October Loan Documents shall be collectively referred to herein as the "Loan Documents."
- 19. In or around April of 2017, the Borrower and the Guarantor (together, the "Obligors") defaulted under the Loan Documents by, among other things, failing to make certain payments thereunder when and as due.
- 20. By letters dated April 13, 2017 and June 6, 2017 (together, the "Demand Letter") the Lender notified the Obligors that it had exercised its right to declare all amounts outstanding under the Loan Documents to be immediately due and payable and demanded immediate payment thereof. A true and accurate copy of the Demand Letter is attached hereto as Exhibit M and is incorporated by reference herein.
- 21. The Obligors have failed, and continue to fail, to pay the obligations due under the Loan Documents in full.

Count I: Confession of Judgment (Claim against Borrower under the April Note)

- 22. Each and every allegation contained in the foregoing paragraphs is incorporated by reference as if fully set forth herein.
- 23. Despite the Lender's demand, the Borrower is in default and remains in default of the April Note by failing to pay all amounts due thereunder.
- 24. The Section entitled "CONFESSED JUDGMENT" on page 2 of the April Note provides in pertinent part as follows:

CONFESSED JUDGMENT. UPON THE OCCURRENCE OF A DEFAULT, BORROWER HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF RECORD TO APPEAR FOR BORROWER IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST

THE BORROWER IN FAVOR OF LENDER FOR, AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL AMOUNT OF THIS NOTE, ALL INTEREST ACCRUED AND UNPAID THEREON, ALL OTHER AMOUNTS PAYABLE BY BORROWER TO LENDER UNDER THE **TERMS** OF THIS NOTE OR ANY OTHER AGREEMENT...EVIDENCING, SECURING OR GUARANTYING THE OBLIGATIONS EVIDENCED BY THIS NOTE, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

25. As of August 11, 2017, the Borrower is indebted to the Lender under the April Note in the amount of Six Hundred Ninety Three Thousand Four Hundred One Dollars and Eighty Cents (\$693,401.80), calculated as follows:

 Principal:
 \$ 683,855.57

 Interest:
 \$ 6,281.51

 Attorneys' Fees incurred:
 \$ 3,264.72

 Total:
 \$ 693,401.80

Interest accrues on the unpaid principal balance at the rate of \$156.72 per day after August 11, 2017.

26. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the April Note, attached hereto as <u>Exhibit N</u> is the Lender's Attorney Fee Affidavit, incorporated herein by reference. ¹

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, Justice Farms of North Carolina, LLC, in the amount of Six Hundred Ninety Three Thousand Four Hundred One Dollars and Eighty Cents (\$693,401.80), together with pre-judgment interest at the rate of \$156.72 per day after August 11, 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet

¹ Plaintiff reserves its right to amend its claim for damages in these proceedings and include all <u>additional</u>, actual attorneys' fees and expense, incurred by Plaintiff in the prosecution of this matter as well as for the defense and enforcement of its default rights and remedies. Plaintiff further reserves its rights to claim attorneys' fees and collection expenses in all post-judgment collection action, other collection actions, foreclosure, or others suits and ancillary proceedings to collect the indebtedness.

incurred, and costs.

Count II: Confession of Judgment (Claim against Borrower under the June Note)

- 27. Each and every allegation contained in the foregoing paragraphs is incorporated by reference as if fully set forth herein.
- 28. Despite the Lender's demand, the Borrower is in default and remains in default of the June Note by failing to pay all amounts due thereunder.
- 29. The Section entitled "CONFESSED JUDGMENT" on page 2 of the June Note provides in pertinent part as follows:

UPON THE OCCURRENCE OF A CONFESSED JUDGMENT. DEFAULT, BORROWER HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF RECORD TO APPEAR FOR BORROWER IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST THE BORROWER IN FAVOR OF LENDER FOR, AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL AMOUNT OF THIS NOTE, ALL INTEREST ACCRUED AND UNPAID THEREON, ALL OTHER AMOUNTS PAYABLE BY BORROWER TO LENDER UNDER THE TERMS **OF** THIS NOTE OR ANY **OTHER** AGREEMENT ... EVIDENCING, SECURING OR GUARANTYING THE OBLIGATIONS EVIDENCED BY THIS NOTE, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

30. As of August 11, 2017, the Borrower is indebted to the Lender under the June Note in the amount of Five Hundred Eighty Six Thousand Five Hundred Nine Dollars and Fifty Four Cents (\$586,509.54), calculated as follows:

 Principal:
 \$ 579,007.27

 Interest:
 \$ 4,237.55

 Attorneys' Fees incurred:
 \$ 3,264.72

 Total:
 \$ 586,509.54

Interest accrues on the unpaid principal balance at the rate of \$132.69 per day after August 11, 2017.

31. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the June Note, attached hereto as Exhibit N is the Lender's Attorney Fee Affidavit.

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, Justice Farms of North Carolina, LLC, in the amount of Five Hundred Eighty Six Thousand Five Hundred Nine Dollars and Fifty Four Cents (\$586,509.54), together with pre-judgment interest at the rate of \$132.69 per day after August 11, 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet incurred, and costs.

<u>Count III: Confession of Judgment</u> (Claim against Borrower under the August Note)

- 32. Each and every allegation contained in the foregoing paragraphs is incorporated by reference as if fully set forth herein.
- 33. Despite the Lender's demand, the Borrower is in default and remains in default of the August Note by failing to pay all amounts due thereunder.
- 34. The Section entitled "<u>CONFESSED JUDGMENT</u>" on page 2 of the August Note provides in pertinent part as follows:

CONFESSED JUDGMENT. UPON THE OCCURRENCE OF A DEFAULT, BORROWER HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF RECORD TO APPEAR FOR BORROWER IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST THE BORROWER IN FAVOR OF LENDER FOR, AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL AMOUNT OF THIS NOTE, ALL INTEREST ACCRUED AND UNPAID THEREON, ALL OTHER AMOUNTS PAYABLE BY BORROWER TO LENDER UNDER THE **TERMS OF** THIS NOTE ANY OR OTHER AGREEMENT ... EVIDENCING, SECURING OR GUARANTYING THE OBLIGATIONS EVIDENCED BY THIS NOTE, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

35. As of August 11, 2017, the Borrower is indebted to the Lender under the August

Note in the amount of Five Hundred Twenty Two Thousand Five Hundred Sixty Seven Dollars and Twenty One Cents (\$522,567.21), calculated as follows:

 Principal:
 \$ 514,881.98

 Interest:
 \$ 4,420.51

 Attorneys' Fees incurred:
 \$ 3,264.72

 Total:
 \$ 522,567.21

Interest accrues on the unpaid principal balance at the rate of \$119.42 per day after August 11, 2017.

36. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the August Note, attached hereto as <u>Exhibit N</u> is the Lender's Attorney Fee Affidavit.

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, Justice Farms of North Carolina, LLC, in the amount of Five Hundred Twenty Two Thousand Five Hundred Sixty Seven Dollars and Twenty One Cents (\$522,567.21), together with pre-judgment interest at the rate of \$119.42 per day after August 11, 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet incurred, and costs.

Count IV: Confession of Judgment (Claim against Borrower under the October Note)

- 37. Each and every allegation contained in the foregoing paragraphs is incorporated by reference as if fully set forth herein.
- 38. Despite the Lender's demand, the Borrower is in default and remains in default of the October Note by failing to pay all amounts due thereunder.
- 39. The Section entitled "CONFESSED JUDGMENT" on page 2 of the October Note provides in pertinent part as follows:

CONFESSED JUDGMENT. UPON THE OCCURRENCE OF A DEFAULT, BORROWER HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF

RECORD TO APPEAR FOR BORROWER IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST THE BORROWER IN FAVOR OF LENDER FOR, AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL AMOUNT OF THIS NOTE, ALL INTEREST ACCRUED AND UNPAID THEREON, ALL OTHER AMOUNTS PAYABLE BY BORROWER TO LENDER TERMS UNDER THE OF THIS NOTE OR ANY AGREEMENT ... EVIDENCING, SECURING OR GUARANTYING THE OBLIGATIONS EVIDENCED BY THIS NOTE, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

40. As of August 11, 2017, the Borrower is indebted to the Lender under the October Note in the amount of One Hundred Eighty Eight Thousand Two Hundred Eighty Five Dollars and Thirty Nine Cents (\$188,285.39), calculated as follows:

\$	182,266.24
\$	1,988.09
\$	766.34
\$	3,264.72
<u>\$</u>	<u>188,285.39</u>
	\$ \$ \$ \$ \$ <u>\$</u>

Interest accrues on the unpaid principal balance at the rate of \$42.27 per day after August 11. 2017.

41. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the October Note, attached hereto as <u>Exhibit N</u> is the Lender's Attorney Fee Affidavit.

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, Justice Farms of North Carolina, LLC, in the amount of One Hundred Eighty Eight Thousand Two Hundred Eighty Five Dollars and Thirty Nine Cents (\$188,285.39), together with pre-judgment interest at the rate of \$42.27 per day after August 11. 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet incurred, and costs.

Count V: Confession of Judgment
(Claim against Guarantor under the April Guaranty)

- 42. Each and every allegation contained in the foregoing paragraphs is incorporated by reference as if fully set forth herein.
- 43. Despite the Lender's demand, the Guarantor is in default and remains in default of the April Guaranty by failing to pay all amounts due thereunder.
- 44. The Section entitled "<u>CONFESSED JUDGMENT</u>" on page 2 of the April Guaranty provides in pertinent part as follows:

CONFESSED JUDGMENT. UPON THE OCCURRENCE OF A DEFAULT ON THE INDEBTEDNESS, GUARANTOR HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF RECORD TO APPEAR FOR GUARANTOR IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST THE GUARANTOR IN FAVOR OF LENDER FOR, AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL AMOUNT OF THIS GUARANTY, ALL INTEREST ACCRUED AND UNPAID THEREON, ALL OTHER AMOUNTS PAYABLE GUARANTOR TO LENDER UNDER THE TERMS OF THIS GUARANTY OR ANY OTHER AGREEMENT ... EVIDENCING, SECURING OR GUARANTYING THE **OBLIGATIONS EVIDENCED** \mathbf{BY} THIS GUARANTY, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

45. As of August 10, 2017, the Guarantor is indebted to the Lender under the April Guaranty in the amount of Six Hundred Ninety Three Thousand Four Hundred One Dollars and Eighty Cents (\$693,401.80), calculated as follows:

 Principal:
 \$ 683,855.57

 Interest:
 \$ 6,281.51

 Attorneys' Fees incurred:
 \$ 3,264.72

 Total:
 \$ 693,401.80

Interest accrues on the unpaid principal balance at the rate of \$156.72 per day after August 11, 2017.

46. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the April Guaranty, attached hereto as <u>Exhibit N</u> is the Lender's Attorney Fee

Affidavit.

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, James C. Justice, II, in the amount of Six Hundred Ninety Three Thousand Four Hundred One Dollars and Eighty Cents (\$693,401.80), together with pre-judgment interest at the rate of \$156.72 per day after August 11, 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet incurred, and costs.

<u>Count VI: Confession of Judgment</u> (Claim against Guarantor under the June Guaranty)

- 47. Each and every allegation contained in the foregoing paragraphs is incorporated by reference as if fully set forth herein.
- 48. Despite the Lender's demand, the Guarantor is in default and remains in default of the June Guaranty by failing to pay all amounts due thereunder.
- 49. The Section entitled "<u>CONFESSED JUDGMENT</u>" on page 2 of the June Guaranty provides in pertinent part as follows:

CONFESSED JUDGMENT. UPON THE OCCURRENCE OF A DEFAULT ON THE INDEBTEDNESS, GUARANTOR HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF RECORD TO APPEAR FOR GUARANTOR IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST THE GUARANTOR IN FAVOR OF LENDER FOR, AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL AMOUNT OF THIS GUARANTY, ALL INTEREST ACCRUED AND THEREON, ALL OTHER AMOUNTS PAYABLE GUARANTOR TO LENDER UNDER THE TERMS OF THIS GUARANTY OR ANY OTHER AGREEMENT ... EVIDENCING, SECURING OR **EVIDENCED OBLIGATIONS** GUARANTYING THE GUARANTY, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

50. As of August 10, 2017, the Guarantor is indebted to the Lender under the June Guaranty in the amount Five Hundred Eighty Six Thousand Five Hundred Nine Dollars and Fifty Four Cents (\$586,509.54), calculated as follows:

 Principal:
 \$ 579,007.27

 Interest:
 \$ 4,237.55

 Attorneys' Fees incurred:
 \$ 3,264.72

 Total:
 \$ 586,509.54

Interest accrues on the unpaid principal balance at the rate of \$132.69 per day after August 11, 2017.

51. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the June Guaranty, attached hereto as Exhibit N is the Lender's Attorney Fee Affidavit.

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, James C. Justice, II, in the amount of Five Hundred Eighty Six Thousand Five Hundred Nine Dollars and Fifty Four Cents (\$586,509.54), together with pre-judgment interest at the rate of \$132.69 per day after August 11, 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet incurred, and costs.

Count VII: Confession of Judgment (Claim against Guarantor under the August Guaranty)

- 52. Each and every allegation contained in the foregoing paragraphs is incorporated by reference as if fully set forth herein.
- 53. Despite the Lender's demand, the Guarantor is in default and remains in default of the August Guaranty by failing to pay all amounts due thereunder.
- 54. The Section entitled "CONFESSED JUDGMENT" on page 2 of the August Guaranty provides in pertinent part as follows:

CONFESSED JUDGMENT. UPON THE OCCURRENCE OF A DEFAULT ON THE INDEBTEDNESS, GUARANTOR HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF RECORD TO APPEAR FOR GUARANTOR IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST THE GUARANTOR IN FAVOR OF LENDER FOR, AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL

AMOUNT OF THIS GUARANTY, ALL INTEREST ACCRUED AND UNPAID THEREON, ALL OTHER AMOUNTS PAYABLE BY GUARANTOR TO LENDER UNDER THE TERMS OF THIS GUARANTY OR ANY OTHER AGREEMENT...EVIDENCING, SECURING OR GUARANTYING THE OBLIGATIONS EVIDENCED BY THIS GUARANTY, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

55. As of August 10, 2017, the Guarantor is indebted to the Lender under the August Guaranty in the amount of Five Hundred Twenty Two Thousand Five Hundred Sixty Seven Dollars and Twenty One Cents (\$522,567.21), calculated as follows:

 Principal:
 \$ 514,881.98

 Interest:
 \$ 4,420.51

 Attorneys' Fees incurred:
 \$ 3,264.72

 Total:
 \$ 522,567.21

Interest accrues on the unpaid principal balance at the rate of \$119.42 per day after August 11, 2017.

56. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the August Guaranty, attached hereto as <u>Exhibit N</u> is the Lender's Attorney Fee Affidavit.

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, James C. Justice, II, in the amount of Five Hundred Twenty Two Thousand Five Hundred Sixty Seven Dollars and Twenty One Cents (\$522,567.21), together with pre-judgment interest at the rate of \$119.42 per day after August 11, 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet incurred, and costs.

Count VIII: Confession of Judgment (Claim against Guarantor under the October Guaranty)

57. Each and every allegation contained in the foregoing paragraphs is incorporated

by reference as if fully set forth herein.

- 58. Despite the Lender's demand, the Guarantor is in default and remains in default of the October Guaranty by failing to pay all amounts due thereunder.
- 59. The Section entitled "<u>CONFESSED JUDGMENT</u>" on page 2 of the October Guaranty provides in pertinent part as follows:

CONFESSED JUDGMENT. UPON THE OCCURRENCE OF A DEFAULT ON THE INDEBTEDNESS, GUARANTOR HEREBY AUTHORIZES ANY ATTORNEY DESIGNATED BY LENDER OR ANY CLERK OF ANY COURT OF RECORD TO APPEAR FOR GUARANTOR IN ANY COURT OF RECORD AND CONFESS JUDGMENT WITHOUT PRIOR HEARING AGAINST THE GUARANTOR IN FAVOR OF LENDER FOR. AND IN THE AMOUNT OF, THE UNPAID BALANCE OF THE PRINCIPAL AMOUNT OF THIS GUARANTY, ALL INTEREST ACCRUED AND UNPAID THEREON, ALL OTHER AMOUNTS PAYABLE GUARANTOR TO LENDER UNDER THE TERMS OF THIS GUARANTY OR ANY OTHER AGREEMENT ... EVIDENCING, SECURING OR GUARANTYING THE **OBLIGATIONS EVIDENCED** GUARANTY, COSTS OF SUIT, AND ALL REASONABLE ATTORNEYS' FEES ACTUALLY INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY OF THE RIGHTS OR REMEDIES HEREUNDER.

60. As of August 10, 2017, the Guarantor is indebted to the Lender under the October Guaranty in the amount of One Hundred Eighty Eight Thousand Two Hundred Eighty Five Dollars and Thirty Nine Cents (\$188,285.39), calculated as follows:

 Principal:
 \$ 182,266.24

 Interest:
 \$ 1,988.09

 Late Charges:
 \$ 766.34

 Attorneys' Fees incurred:
 \$ 3,264.72

 Total:
 \$ 188,285.39

Interest accrues on the unpaid principal balance at the rate of \$42.27 per day after August 11. 2017.

61. In support of the Lender's claim for attorneys' fees, as part of the indebtedness due under the October Guaranty, attached hereto as Exhibit N is the Lender's Attorney Fee Affidavit.

WHEREFORE, Plaintiff, Middletown Valley Bank, prays that a judgment by confession be entered in its favor and against Defendant, James C. Justice, II, in the amount of One Hundred Eighty Eight Thousand Two Hundred Eighty Five Dollars and Thirty Nine Cents (\$188,285.39), together with pre-judgment interest at the rate of \$42.27 per day after August 11. 2017 until the entry of judgment, post-judgment interest, additional attorneys' fees not yet incurred, and costs.

Respectfully submitted,

Date: August 22, 2017

Joshna D. Bradley

Client Protection # 0812160094 Rosenberg Martin Greenberg, LLP 25 South Charles Street, 21st Floor Baltimore, MD 21201

410-727-6600

Attorneys for Plaintiff Middletown Valley Bank